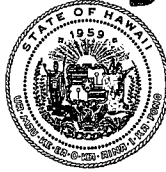


NEIL ABERCROMBIE  
GOVERNOR



KALBERT K. YOUNG  
DIRECTOR

LUIS P. SALAVERIA  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

November 3, 2014

The Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Senator Kim:

For your information and consideration, I am transmitting a copy of the report with the calculations and transfers made to ensure that non-facility per-pupil general fund amounts allocated for Department of Education and Charter School students are equal on an annualized fiscal year basis, pursuant to Act 130, SLH 2012, and Section 122 of Act 122, SLH 2014.

Should there be any questions, please have your staff contact Mr. Neal Miyahira, Administrator of this department's Budget, Program Planning and Management Division, at 586-1530.

Aloha,

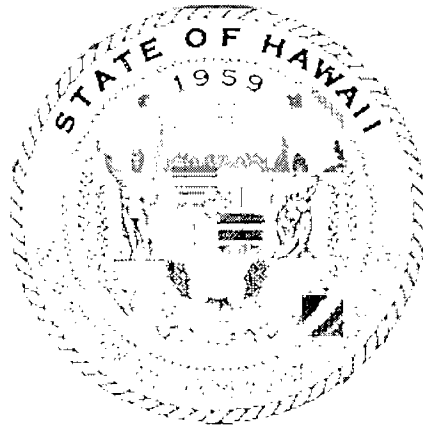
  
KALBERT K. YOUNG  
Director of Finance

Attachments

c: Honorable David Y. Ige

DEPARTMENT OF BUDGET AND FINANCE

REPORT TO THE TWENTY-SEVENTH STATE LEGISLATURE



ACT 130, SESSION LAWS OF HAWAII 2012

AND

ACT 122, SESSION LAWS OF HAWAII 2014

SECTION 123 (NON-FACILITY PER-PUPIL ALLOCATION)

NOVEMBER 2014

ACT 122, SESSION LAWS OF HAWAII 2014

SECTION 123 (NON-FACILITY PER-PUPIL ALLOCATION)

SECTION 123. Provided that the director of finance shall ensure that non-facility per-pupil general fund amounts allocated for department of education and charter school students are equal on an annualized fiscal year basis; provided further that, notwithstanding any other law to the contrary, for fiscal year 2013-2014 and fiscal year 2014-2015, the director of finance shall:

- (1) Determine the sum of general fund appropriations made for the department of education and charter school student non-facility costs;
- (2) Determine the sum of department of education and charter school student enrollment based upon verified actual student enrollment counts;
- (3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);
- (4) Transfer a general fund amount between the department of education and charter schools prior to November 1, 2013, and November 1, 2014, that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and
- (5) Account for all calculations and transfers made pursuant to this section in a report to the legislature, governor, department of education, and charter schools within ten days of any transfer made pursuant to this section;

and provided further that for the purposes of this section, all general fund appropriations, except grants issued pursuant to chapter 42F, for school-based budgeting (EDN100), instructional support (EDN200), state administration (EDN300), and school support (EDN400), shall be considered non-facility appropriations for the department of education.

(b) Provided further that:

- (1) Of the general fund appropriation for charter schools (EDN600), \$800,000 for fiscal year 2014-2015 shall be deemed additional to the per-pupil allocation for charter schools for that fiscal year as calculated pursuant to subsection (a);
- (2) The \$800,000 shall be expended by the charter school commission for its operating and administrative costs for fiscal year 2014-2015; and
- (3) As additional funding for its operating and administrative costs for fiscal year 2014-2015, the charter school commission may transfer from the per-pupil allocation for charter schools for fiscal year 2014-2015 not more than \$560,000 to the commission for expenditure for such costs.

**DOE/Charter Schools Calculation For FY14**

(October 15, 2014 adjustments)

**Adjustment to Act 122, SLH 2014 - Per Pupil Funding for DOE and CS per Act 130, SLH 2012**

**Per Pupil Amount Calculation based on Appropriation**

EDN100 - School Based Budgeting	\$	812,888,595	Act 122/14
Less GIA's	\$	(1,426,147)	Act 122/14, Section 123(5)
EDN200 - Instructional Support	\$	47,429,820	Act 122/14
Less GIA's	\$	(180,000)	Act 122/14, Section 123(5)
EDN300 - State Administration	\$	43,343,959	Act 122/14
EDN400 - School Support	\$	171,218,522	Act 122/14
Total DOE Non-facility Appropriation	\$	1,073,274,749	
CS Appropriation	\$	68,525,807	Act 122/14, Section 123(5)
Combined DOE and CS general fund appropriation per Act 122/14	\$	1,141,800,556	
DOE Actual October 15, 2014 K-12 Enrollment		170,367	
CS Actual October 15, 2014 K-12 Enrollment		10,440	
Combined DOE and CS October 15, 2014 Enrollment		180,807	
Updated Per Pupil Funding	\$	6,315.024064	
Updated DOE Funding Level per 302D-28, HRS **	\$	1,075,871,704.77	
Updated CS Funding Level per 302D-28, HRS**	\$	65,928,851.23	
DOE General Fund Allocation Adjustment	\$	2,596,955.77	
CS General Fund Allocation	\$	(2,596,955.77)	

NOTE:

\*\* Act 122/SLH 2014, Section 123 (5) takes out GIA's and \$800,000 (Charter School Commission) from the per pupil calculations